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I. SUPPRESSION OF COUNTERREVOLUTIONARIES

687 The term "counterrevolutionaries" has been loosely defined by the Communists. It may include bandits, landlords, armed resistance groups, spies, or any person whose activities are deemed detrimental to the Communist cause. The Communist authorities have deliberately avoided a precise definition; any person considered undesirable and harmful to the Communist regime can be accused of counterrevolutionary activity and subject to liquidation.

A. Extermination of "Bandits"

669 727 The term "bandit" is broadly used by the Communists to identify any armed resistance, either from the underground forces or from professional armed robbers. However, prior to 1952, this term was generally applied to remnants of Kuomintang forces on the Mainland and to long-active armed bands.

Immediately after the Communist seizure of power in the East China Region, military campaigns were launched to exterminate these armed bandits. The campaigns were vigorously carried out and rapidly concluded. At the end of 1949, all provinces in the region, with the exception of Fukien, announced the elimination

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727 of armed bandits in major areas.[1] Throughout 1950, concentrated effort was exerted in Fukien and Chekiang provinces, where bandit forces could not be suppressed in spite of a series of military expeditions against them. Bandit strength in Chekiang, which was estimated at 8,500 in February 1950, increased to 10,000 in May of the same year.[2] It was not until November 1951 that the completion of the extermination campaign was announced by Su Yu,[3] the then commanding general of the East China Military District. He placed the total number of bandits annihilated in the region of East China at 225,000. This number was appreciably smaller than those reported from other regions, perhaps due to the relatively smaller number of Kuomintang troops who had to be sought out.

Military campaigns in this region were generally divided into three stages;[4] each

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1. Report of Jao Shu-shih, Chairman of the East China Military and Political Committee, Chieh-fang Jih-pao [Liberation Daily], Shanghai, Dec. 2, 1949, p. 1.

2. Report of Li Shih-ying, chief of the Department of Public Security of the East China Military and Political Committee, ibid., March 18, 1951.

3. Ibid., Nov. 27, 1951, p. 1.

4. Ibid., Nov. 27, 1951, p. 1. ibid., Oct. 1, 1951, p. 5.

669 featured different strategic and tactical
727 maneuvers. During the first stage, the strategic aim was the extermination of remnant Nationalist troops and bandits in key economic areas and major transportation points. Throughout these campaigns, military forces were used in the destruction of old political forces in the rural areas. In Chekiang, for example, one Communist unit assisted in the setting up of rural government in 73 hsiang and 247 villages and organized peasants' associations with a membership of 28,000 and a militia of 8,900.[5]

The second stage marked the expansion of military operations to areas adjacent to the key centers, where most armed resistance had been put down during the first stage of operation. Fighting was confined to the pursuit and annihilation of the main bandit forces, thereby making safe from bandit activities the largest portion of the region. At the same time, Communist troops in the provinces were divided into areas of command. In the province of Chekiang, four such areas were organized[6] and each was made responsible for the extermination campaigns in a specific area. There were, in addition to the four area commands, two independent commands in charge of the areas south of

5. Ibid., Nov. 27, 1951, p. 1.
6. Ibid., Dec. 5, 1949, p. 3.

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727 T'ai Lake and Hang-hsien.

After the dispersion of the remaining bandit forces, military operations were carried out by a minimum use of garrison troops with the help of militia. Garrison troops also rendered direct assistance to the rural Communist governments in the establishment of public security organizations and directed the work of the militia. From January to June, 1951, the militia in the East China Region engaged in 21,625 "battles"[7] -- the Communist phrase for any skirmish or incident involving the militia and armed bands. In coastal areas, the militia was relied upon for coastal defense.

The announcement of the completion of the extermination campaign in the East China Region in November 1951 coincided with similar statements from other regions. The year 1951 marked the conclusion of the Land Reform Movement, and 1952 was spent in the consolidation of political power in the rural communities. Reports of more recent activities are few. However, at least two bandit groups were identified in Chekiang and the Kiangsu area in 1954. One of the groups, Chung Chiang Hang, was reported to have committed 394

7. Ibid., Nov. 27, 1951, p. 1.

669 robberies, and the other, Shui Huo Pang, was
727 similarly active.[8]

B. Landlords

687 At the conclusion of land reform, many landlords (including those who had received sentences of less than one year's imprisonment) were placed under the surveillance of the local hsiang government and the security agencies. They were either given a small portion of land to work or were sentenced to forced labor. Those landlords who were classified as counter-revolutionaries (within the meaning of the term as provided in the law for the control of counter-revolutionaries[9] issued by the Ministry of Public Security of the Government Administration Council in July 1952) were deprived of their political rights and were subject to surveillance for a period of at least three years. These landlords probably constituted the major portion of forced labor battalions in Communist China.

After the land reform, many peasants and Party members were classified as "new rich," and such were regarded as "potential landlords." These people were accused with the collaboration of former landlords, of attempting to seize

8. Jen-min Jih-pao [People's Daily], Nov. 18, 1954, p. 3.

9. Text of the regulation in Liberation Daily, Feb. 23, 1951, p. 1.

2: Murphy G-4 (no date) 1953 AF15 East China AF15

shortages and to delayed recovery of many of the areas from which the city drew its supplies, especially in north China, where civil war had quickly succeeded international war. 722

The pinch which these conditions imposed on the Shanghai economy was nowhere more apparent or more important than in the case of coal. Coal normally came to the city primarily from north China (Kaiping, Fushun, Shansi, and Shantung), and the acute shortage of this essential and universal raw material slowed Shanghai's industrial recovery to a walk during the four years of Nationalist control from 1945 to 1949.* Other essential supplies were also curtailed, especially industrial machinery, liquid fuels, rubber, chemicals, semi-finished metal goods, and prime movers, all of which normally came to Shanghai for the most part from overseas and had been largely cut off during the Japanese occupation after 1941 as well. Runaway inflation, bred in part of current and forseen shortages, had a disastrous effect on the entire urban economy.

Shanghai's skilled industrial labor force, which before the war had constituted at least half of the China pool, had been dissipated through eight long war years during which many workers migrated to Free China (and to Japan and Manchuria), and technical and managerial personnel were similarly decimated. Inland routes supplying the city were choked off periodically as the civil war progressed. A major part of Communist military strategy was the destruction of railways over which the Nationalist armies could move their originally greatly superior military equipment, and the lines feeding Shanghai were repeatedly cut, both between the city and Nanking, and north of the Yangtze where the interruptions were only slightly less awkward for Shanghai. More importantly, civil unrest and actual fighting in the delta and along the Yangtze recurrently brought water transport there to a halt.

The inland routes the Communists could reopen, and this was 727

* The textile industry enjoyed a brief recovery in mid-1948 (after electric power production had been momentarily restored nearly to its pre-war level), based on the removal of Japanese competition, especially in the southeast Asia market (see Université Aurore, "L'état présent de l'industrie à Shanghai" [1949]. But unlike the earlier boom during and after the first world war, this was extremely short-lived, as the Communist armies closed in on the city in the months before May 1949, and increasingly stifled its vital economic relations with China as a whole.

2: Murphy G-4 (no date) 1953 AF15 East China AF15

done with dispatch soon after Shanghai had been taken. By the end of 1949, railways destroyed in the delta area during the civil war had been restored to operation, and by the end of 1950, most of the lines in China as of 1936 had been rebuilt, plus considerable new mileage. Great stress has also been put on maintaining a high level of commodity flow by water transport from the Yangtze and the delta to Shanghai. Numerous hydraulic improvements were undertaken in 1949, 1950, and 1951, including the widening, deepening, and regulating of existing waterways, the building of additional carriers of all types,* and in November 1950 the commencement of a very large five-year project for the regulation of the Huai River, designed primarily to prevent its disastrous floods, but also to facilitate navigation.[2]

But the sea routes, equally vital to the city's economic life, remain largely closed. Political capital has been made of this unfortunate situation, since it has in effect called the Communists' bluff in their repeated assertions that Shanghai was a foreign sore on the Chinese body politic and should be integrated with China rather than with its kindred economies overseas.

> The new Shanghai . . . is closely linked by commerce and the interflow of goods with the rest of the country. Facing inland instead of across the sea, it is integrated politically, economically, and culturally with the nation whose needs it serves. From being a source of infection in China's economic life, Shanghai has today become a source of strength to the new China.[3]

This is cold comfort. Shanghai can be a source of strength to China only if it produces, and it cannot reach more than a part of its industrial potential while the sea routes which feed it are closed. The shortage of coal in the city remains, if one may read between the lines of official statements and news releases. Electric power is rationed; new users are discouraged, and one gathers that current users are unable to get enough to increase their production. Remembering the crucial importance of cheap and abundant electric power for all of the city's industry, as we have discussed it above

* 192 inland water craft were built in Shanghai alone in 1950, totalling 28,000 tons displacement, according to Ching-Chi Chou-Pao for January 4, 1951, p. 9.

3: Hinder G-5 (1933-1942) 1944 AF15 East China AF15

A period of reconstruction ensued until the end of 1940. Much of the money of the nearby provinces had found its way into Shanghai banks during the early days of the hostilities. This money early sought employment. There was a building boom in the western district of the Settlement proper which had been free from fighting and which was one of the few areas on the China coast where Chinese industrial enterprises could develop without Japanese control. In 1938 the Government of China retired successively to Hankow and later to Chungking. Many Shanghai Chinese factory owners, while rebuilding in Shanghai, were prepared also to play their part in the industrialisation of interior China which was to be so significant in the succeeding years. Their plants in Shanghai were equally important for the war effort of Free China, however, in the years that intervened between 1938 and the outbreak of Pacific hostilities in 1941. While Hongkong remained open as a port and until through Japanese instigation the Chinese Customs in Shanghai in the autumn of 1941 prevented the export from Shanghai of certain commodities including cotton goods, very heavy shipments month by month left for the south for transport into interior China. Much cargo found its way out of Shanghai by canals and even by human transport, finally penetrating the Japanese lines and reaching the western provinces. The importance of Shanghai as a supply base during almost four years of war can be recognized when the commodity situation in free China in 1942 and later is considered. There were never sufficient consumer goods in the interior even when the trade channels from the coast were open; but the worsening of the situation and the consequent extreme rise in price levels date from the loss of Shanghai products.

In the western district Extra-Settlement area, in the enclaves between Settlement-policed roads, hundreds of new industrial structures began to rise on former vegetable gardens drained by tidal creeks. Over their construction the Shanghai Municipal Council could exercise no authority. These workshops and factories lacked elementary sanitary provisions, and, because the flimsy buildings were of inflammable material, fires were frequent. But as soon as fire had destroyed a building, the indomitable Chinese small industrialist began its reconstruction. Within the limits of the Settlement proper, the reconstruction period was used as far as possible by Public Works and Health Departments, as well as Fire Brigade

3: Hinder G-5 (1933-1942) 1944 AF15 East China AF15

CHAPTER VIII

FOOD AND NUTRITION

AT A TIME WHEN Shanghai is militarily occupied following the outbreak of Pacific hostilities, and its food supplies subject to willingness of the Japanese military to provide them, one is apt to think of the problem of food entirely in terms of whether or not there will be any at all. From the moment of the commencement of hostilities in August 1937, the question of food supply held the concern of the Settlement authorities. Two days after the first shot was fired in the Shanghai area, the Supplies Committee of the Shanghai Municipal Council met and through the intervening years dealt with the problem actively and continuously.

The problem at first was what the city would do when it was cut off from its hinterland, the rice-producing area; when fighting moved back into the provinces and destroyed the autumn rice crop; when rice boats would no longer bring rice to the city. In 1932, when there had been five weeks of fighting in the Shanghai area, rice boats had feared to come into the city, and trucks had been sent out to meet them beyond the fighting zone, to bring in needed food. Rice, which then usually sold at $10 to $12 per *shih* (172 pounds), rose to the high price of $17 to $18 because of fear of shortage, and fell with what at that time seemed a dramatic drop when the supplies were brought in and the feared shortage did not eventuate. Those who had planned the small adjustment needed in 1932 found that more drastic measures were necessary in 1937 and later.

The provinces nearest to Shanghai are rich rice-producing areas. Through part of Kiangsu province winds Soochow Creek, and from Chekiang province into Kiangsu flows the Whangpoo River, to meet in Shanghai. Down both of these waterways in normal times came a succession of large rice boats, and from Wuhu above Nanking on the Yangtse River larger steamers laden with grain. In general it was a simple trade. Rice was sent on consignment to rice merchants in Shanghai, and payment was later made to the interior

3: Hinder G-5 (1933-1942) 1944 AF15 East China AF15

CHAPTER XI

SOME SPECIAL SOCIAL PROBLEMS

ENOUGH HAS BEEN SAID of the housing congestion in normal times and of the great overcrowding arising from hostilities to indicate that Shanghai, despite its normal extensive industry and commerce, must contain many more persons than can find employment. There is a permanent problem of destitution, aggravated at some periods, slightly less perhaps at others, but always there. To the low-waged worker in Shanghai must be added the army of chronically unemployed and completely unemployable.

Recent studies of Shanghai dwell at length on the refugee problem following the outbreak of hostilities in 1937.[1] After five years, a hard core of refugees remained, despite consistent efforts in the spring months of 1939 and 1940 to disperse aggregations of those in "refugee camps." The Shanghai Refugee Relief Association, which was organised in 1938 to take over work formerly handled by the Shanghai International Red Cross Committee, continued till the middle of 1942 to collect and disburse funds for the support of approximately 15,000 refugees, a residue of old, young, invalid and unemployable.

In addition to those cared for in camps, hundreds of destitute persons roamed the streets after 1937, miserably clad, often in the final stages of exhaustion. The numbers increased considerably after December 1941. These aggravated Shanghai's permanent beggar problem. Begging is endemic in many Oriental countries. Especially at festival times in the vicinity of temples the lame, the halt, the sick and the blind display themselves to the pious who make pilgrimages, relying on pity and the belief that it is an act of virtue to dispense alms. Whether caused by hunger and want or engaged in as a chosen profession, begging is chronic.

Toward the end of 1940 the Shanghai Municipal Council, the Salvation Army and the Shanghai Rotary Club attempted to deal

[1] See particularly R. W. Barnett, *Economic Shanghai: Hostage to Politics*, Institute of Pacific Relations, New York, 1941.